

HOUSE BILL No. 1416

DIGEST OF INTRODUCED BILL

Citations Affected: IC 9-18-2; IC 9-25; IC 27-2-22.

Synopsis: Financial responsibility for motor vehicles. Requires the bureau of motor vehicles (BMV) to include a statement on a motor vehicle registration (registration) application regarding the cancellation of motor vehicle liability insurance (insurance) and certain information on the certificate of registration. Requires a person registering a motor vehicle in person to: (1) provide proof of financial responsibility; and (2) sign the copy of the certificate of registration under penalty of perjury. Requires the BMV to establish rules concerning the cancellation of insurance. Requires an insurer to notify the BMV if insurance is canceled before the expiration date of the policy. Requires the BMV to suspend the driver's license or the registration of a person who was a policyholder under canceled insurance if the person does not specify how the person will maintain financial responsibility on the person's vehicle after canceling the policy, unless the person receives an exemption from the BMV. Provides for reinstatement of the driver's license or the registration after 90 days of suspension after payment of a reinstatement fee. Makes it a Class C misdemeanor to operate a motor vehicle unless financial responsibility is in effect on the vehicle, and a Class D felony if the person has a prior unrelated conviction or judgment for the failure to maintain financial responsibility. Makes technical corrections.

Effective: July 1, 2006.

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January 12, 2006, read first time and referred to Committee on Roads and Transportation.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1416

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 9-18-2-11.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2006]: **Sec. 11.5. (a) A motor vehicle registration application**
4 **form prescribed by the bureau under this chapter after December**
5 **31, 2006, must include the following:**

6 (1) **A statement, or its substantial equivalent, as follows:**
7 **"Indiana law requires your insurer to report to the Bureau of**
8 **Motor Vehicles if your motor vehicle liability policy is**
9 **canceled before the expiration date of the policy."**

10 (2) **A box next to the statement described in subdivision (1)**
11 **that the applicant must check to acknowledge that the**
12 **applicant has read the statement described in subdivision (1).**

13 **(b) The bureau may not register a motor vehicle unless the**
14 **applicant has checked the box described in subsection (a)(2).**

15 SECTION 2. IC 9-18-2-16 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 16. (a) A person who**
17 **owns a vehicle must sign an application in ink to register the vehicle.**



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(b) An application to register a vehicle must contain the following:

(1) The:

(A) name, bona fide residence, and mailing address, including the name of the county, of the person who owns the vehicle; or

(B) business address, including the name of the county, of the person that owns the vehicle if the person is a firm, a partnership, an association, a corporation, a limited liability company, or a unit of government.

If the vehicle that is being registered has been leased and is subject to the motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5, the application must contain the address of the person who is leasing the vehicle. If the vehicle that is being registered has been leased and is not subject to the motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5, the application must contain the address of the person who owns the vehicle, the person who is the lessor of the vehicle, or the person who is the lessee of the vehicle. If a leased vehicle is to be registered under the International Registration Plan, the registration procedures are governed by the terms of the plan.

(2) A brief description of the vehicle to be registered, including the following information if available:

(A) The name of the manufacturer of the vehicle.

(B) The vehicle identification number.

(C) The manufacturer's rated capacity if the vehicle is a truck, tractor, trailer, or semitrailer.

(D) The type of body of the vehicle.

(E) The model year of the vehicle.

(F) Any other information reasonably required by the bureau to enable the bureau to determine if the vehicle may be registered. The bureau may request the person applying for registration to provide the vehicle's odometer reading.

(3) A space on the application in which the person registering the vehicle may indicate the person's desire to donate money to organizations that promote the procurement of organs for anatomical gifts. The space on the application must:

(A) allow the person registering the vehicle to indicate the amount the person desires to donate; and

(B) provide that the minimum amount a person may donate is one dollar (\$1).

Funds collected under this subdivision shall be deposited with the treasurer of state in a special account. The auditor of state shall

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monthly distribute the money in the special account to the anatomical gift promotion fund established by IC 16-19-3-26. The bureau may deduct from the funds collected under this subdivision the costs incurred by the bureau in implementing and administering this subdivision.

(4) If financial responsibility for a motor vehicle will be satisfied by:

(A) a policy of motor vehicle liability insurance as set forth in IC 9-25-4-7(1), the name of the insurance company and policy number in effect for the vehicle; or

(B) proof under IC 9-25-4-7(2) or IC 9-25-4-7(3), in a manner determined by the bureau.

A person that registers the motor vehicle in person at a license branch shall provide proof to the bureau of financial responsibility in the manner provided by IC 9-25-4-7(1).

(c) The department of state revenue may audit records of persons who register trucks, trailers, semitrailers, buses, and rental cars under the International Registration Plan to verify the accuracy of the application and collect or refund fees due.

SECTION 3. IC 9-18-2-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 20. (a) The bureau, upon registering a vehicle required to be registered by this chapter, shall issue a certificate of registration.

(b) The certificate of registration shall be delivered to the person leasing the vehicle or to the person who owns the vehicle and shall contain upon the face of the card the following information:

(1) The name and address of the person leasing the vehicle or the person who owns the vehicle.

(2) The date the card was issued.

(3) The registration number assigned to the vehicle.

(4) A description of the vehicle as determined by the bureau.

(5) If financial responsibility for a motor vehicle will be satisfied by a policy of motor vehicle liability insurance as set forth in IC 9-25-4-7(1), the name of the insurance company and policy number in effect for the motor vehicle.

(c) If a certificate of registration is mutilated, destroyed, or lost, a duplicate certificate of registration must be purchased. The application for a duplicate certificate of registration must be accompanied by the service charge prescribed under IC 9-29.

SECTION 4. IC 9-18-2-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 21. (a) A person who registers a vehicle, except a person who registers a vehicle under the

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International Registration Plan, shall sign the person's copy of the certificate of registration in ink in the space provided, **under penalty of perjury.**

(b) A certificate of registration or a legible reproduction of the certificate of registration must be carried:

(1) in the vehicle to which the registration refers; or

(2) by the person driving or in control of the vehicle, who shall display the registration upon the demand of a police officer.

(c) A legible reproduction of the certificate of registration may be made by any photostatic or similar process. The valid stamp must be legible on the reproduced copy.

SECTION 5. IC 9-25-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. (a) The bureau shall adopt rules under IC 4-22-2 to establish procedures, conditions, and requirements concerning the filing of proof of financial responsibility necessary to promote and ensure the effective enforcement of this article, **including the cancellation of motor vehicle liability insurance by the insurer or policyholder.**

(b) The rules must regulate the following:

(1) The effective dates and policy periods of proof of financial responsibility.

(2) The procedure for cancellation of proof of financial responsibility by the carrier or the insured.

(3) The conditions of reinstatement.

(4) Any other requirement affecting the purposes for which proof of financial responsibility is filed with the bureau.

SECTION 6. IC 9-25-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) A request for evidence of financial responsibility must do the following:

(1) Direct a person identified under section 2 of this chapter to provide the bureau with evidence that financial responsibility was in effect with respect to the **motor** vehicle operated by the person on the date of the accident described in the accident report.

(2) Instruct the person on how to furnish the bureau with evidence of financial responsibility in compliance with this chapter.

(3) Warn the person that failure to furnish evidence of financial responsibility to the bureau will result in suspension of the person's current driving license or **motor** vehicle registration, or both, under this article.

(b) The bureau shall mail a request for evidence of financial responsibility to a person identified under section 2 of this chapter by first class mail at the address appearing in the records of the bureau.

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SECTION 7. IC 9-25-5.5 IS ADDED TO THE INDIANA CODE
AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2006]:

Chapter 5.5. Insurance Cancellation Notice

Sec. 1. This chapter applies after December 31, 2006.

Sec. 2. (a) Not more than ten (10) days after receiving a notice of cancellation under IC 27-2-22, the bureau shall send a written notice by first class mail to each insured identified in the notice of cancellation.

(b) The notice must include the following statement, or its substantial equivalent:

"Indiana law requires you to continuously maintain financial responsibility with respect to your motor vehicle for as long as you operate your motor vehicle on the public highways of Indiana. If you rely on this motor vehicle liability policy to satisfy the financial responsibility requirement and you intend to continue operating your motor vehicle on the public highways of Indiana, you must obtain a new motor vehicle liability policy to satisfy the financial responsibility requirement or satisfy the requirement by another means allowed by law. Your operator's license will be suspended and subject to surrender if you do not inform the Bureau of Motor Vehicles, within forty (40) days after the postmark of this notice, of the means by which you will maintain financial responsibility."

Sec. 3. Except as provided in section 4 of this chapter, a person who receives a notice under section 2 of this chapter shall inform the bureau, by first class mail postmarked not more than forty (40) days after the postmark date of the notice received under section 2 of this chapter, or in person at a license branch, of the means by which the person will satisfy the financial responsibility requirement of this article with respect to the motor vehicle formerly covered under the canceled motor vehicle liability policy. If the financial responsibility requirements will be satisfied through insurance, the person shall provide to the bureau a written statement that:

(1) sets forth:

(A) the:

(i) name of the manufacturer;

(ii) model name and model year; and

(iii) identification number (as defined in IC 9-18-8-15(b));

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of the motor vehicle;

(B) the policy number of the new motor vehicle liability policy; and

(C) the name and address of the insurer issuing the new motor vehicle liability policy; and

(2) is signed by:

(A) the person obtaining the new motor vehicle liability policy; and

(B) an agent of the insurance company through whom the new motor vehicle liability policy is issued.

Sec. 4. (a) A person who receives a notice under section 2 of this chapter is not required to establish the means by which the person will satisfy the financial responsibility requirement of this article if the person, by first class mail postmarked not more than forty (40) days after the postmark date of the notice received under section 2 of this chapter, or in person at a license branch, provides the bureau with an affidavit under oath or affirmation stating that the motor vehicle formerly covered under the canceled motor vehicle liability policy is not currently being operated and will not be operated in the foreseeable future on the public highways of Indiana.

(b) The bureau may require a person who provides an affidavit under subsection (a) to provide the bureau with evidence in addition to the affidavit before the bureau issues a written notice of exemption from the financial responsibility requirement of this article.

(c) The bureau shall send a written notice of exemption from the financial responsibility requirement of this article to a person described in subsection (a) if the bureau determines that the motor vehicle formerly covered under the canceled motor vehicle insurance policy is not currently being operated and will not be operated in the foreseeable future on the public highways of Indiana.

(d) A written notice of exemption from the financial responsibility requirement of this article may be:

(1) for a specified period; or

(2) of indefinite duration.

(e) A person who receives a written notice of exemption under subsection (c) must notify the bureau of the means by which the person will satisfy the financial responsibility requirement of this article:

(1) at least twenty (20) days before the expiration of the

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specified period of exemption under subsection (d)(1), if applicable; or

(2) immediately, if the person's notice of exemption was of indefinite duration under subsection (d)(2) and a change of circumstances will result in the operation of the motor vehicle formerly covered under the canceled motor vehicle liability policy.

(f) The bureau shall provide a written notice of rejection by first class mail or in person at a license branch to a person who provides an affidavit under subsection (a) if the bureau declines to issue the person a written notice of exemption from the financial responsibility requirement of this article.

(g) A person who provides an affidavit under subsection (a) but receives a written notice of rejection under subsection (f), not more than twenty (20) days after the:

(1) postmark date of the mailed notice; or

(2) date of the notice personally provided to the person at a license branch;

must provide evidence of compliance with the financial responsibility requirement of this article in the manner prescribed in section 3 of this chapter.

Sec. 5. The bureau shall take action under IC 9-25-6-3(d) if a person fails to comply with this chapter.

Sec. 6. Notice under section 2 of this chapter is sufficient if the notice is sent by first class mail to the address of the person appearing in the records of the bureau.

Sec. 7. The bureau shall notify the insurance commissioner of an insurer that does not comply with the notice requirements of IC 27-2-22.

Sec. 8. A person aggrieved by an act of the bureau under this chapter may file a petition for court review in a circuit or superior court in the county in which the aggrieved person resides.

SECTION 8. IC 9-25-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) If the bureau:

(1) does not receive a certificate of compliance from a person identified under IC 9-25-5-2 within forty (40) days after the date on which the bureau mailed the request for evidence of financial responsibility to the person; or

(2) receives a certificate that does not indicate that financial responsibility was in effect with respect to the motor vehicle operated by the person on the date of the accident referred to in IC 9-25-5-2;

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the bureau shall take action under subsection ~~(c)~~: (d).

(b) If the bureau:

(1) does not receive a certificate of compliance from a person presented with a request for evidence of financial responsibility under IC 9-25-9-1 within forty (40) days after the date on which the person was presented with the request; or

(2) receives a certificate that does not indicate that financial responsibility was in effect with respect to the motor vehicle that the person was operating when the person committed the violation described in the judgment or abstract received by the bureau under IC 9-25-9-1;

the bureau shall take action under subsection ~~(c)~~: (d).

(c) If a person:

(1) receives a notice under IC 9-25-5.5-2 and does not provide the bureau with:

(A) a written statement providing the information required under IC 9-25-5.5-3, if the person intends to satisfy the financial responsibility requirement of this article through motor vehicle liability insurance; or

(B) evidence that the person has:

(i) executed a bond under IC 9-25-4-9; or

(ii) been issued a certificate of self-insurance under IC 9-25-4-11;

not more than forty (40) days after the postmark date of the notice received under IC 9-25-5.5-2;

(2) receives a notice under IC 9-25-5.5-2 and provides an affidavit under IC 9-25-5.5-4 but is not issued a written notice of exemption from the financial responsibility requirement of this article, if the person does not then provide evidence of financial responsibility under IC 9-25-5.5-3, as required by IC 9-25-5.5-4(g);

(3) receives a notice under IC 9-25-5.5-2 and does not respond to the bureau within the time allowed under IC 9-25-5.5-3 or IC 9-25-5.5-4; or

(4) operates a motor vehicle formerly covered under a canceled motor vehicle liability policy during a period of exemption from the financial responsibility requirement of this article under a written notice of exemption issued under IC 9-25-5.5-4;

the bureau shall take action under subsection (d).

~~(c)~~ (d) Under the conditions set forth in subsection (a), ~~or~~ (b), or (c), the bureau shall do the following:

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(1) Immediately suspend the person's current driving license or vehicle registration, or both.

(2) Demand that the person immediately surrender the person's current driving license or vehicle registration, or both, to the bureau.

~~(d)~~ (e) Except as provided in subsection ~~(e)~~; (f), if subsection (a) or (b) applies to a person, the bureau shall suspend the current driving license of the person irrespective of the following:

(1) The sale or other disposition of the motor vehicle by the owner.

(2) The cancellation or expiration of the registration of the motor vehicle.

(3) An assertion by the person that the person did not own the motor vehicle and therefore had no control over whether financial responsibility was in effect with respect to the motor vehicle.

~~(e)~~ (f) The bureau shall not suspend the current driving license of a person to which subsection (a) or ~~subsection~~ (b) applies if the person, through a certificate of compliance or another communication with the bureau, establishes to the satisfaction of the bureau that the motor vehicle that the person was operating when the accident referred to in subsection (a) took place or when the violation referred to in subsection (b) was committed was:

(1) rented from a rental company; or

(2) owned by the person's employer and operated by the person in the normal course of the person's employment.

SECTION 9. IC 9-25-6-14, AS AMENDED BY P.L.210-2005, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. (a) The bureau shall reinstate the current driving license or vehicle registration, or both:

(1) subject to section 15 of this chapter, after ninety (90) days of suspension:

(A) except as provided in sections 19, 20, and 21(b) of this chapter, if the person has furnished the bureau with a certificate of compliance showing that financial responsibility is in effect with respect to the vehicle; ~~or~~

(B) if the person is no longer an owner of the vehicle or the registration of the vehicle has been canceled or has expired; **or**

(C) if the bureau suspended the person's current driving license or vehicle registration, or both, because of a failure to comply with IC 9-25-5.5-3;

(2) if the person is subject to section 21(b) of this chapter and to IC 9-29-10-1, after thirty (30) days of suspension;

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(3) subject to section 15 of this chapter, when the person furnishes the bureau with a certificate of compliance showing that financial responsibility is in effect with respect to the vehicle if:

(A) subdivision (1)(B) does not apply; and

(B) the person fails to furnish the bureau with a certificate of compliance as described in subdivision (1)(A) within ninety (90) days after the current driving license of the person is suspended; or

(4) if financial responsibility was in effect with respect to a vehicle on the date of the accident but the person does not provide the bureau with a certificate of compliance indicating this fact until after the person's current driving license is suspended under this chapter, the person's current driving license shall be reinstated when the person provides the certificate of compliance to the bureau and complies with section 15 of this chapter.

(b) Upon receipt of a certificate of compliance under this section, the bureau shall expunge from the bureau's data base the administrative suspension caused by the failure to notify the bureau that the person had financial responsibility in effect on the date of the violation.

SECTION 10. IC 9-25-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A person who knowingly:

(1) operates; or

(2) permits the operation of;

a motor vehicle on a public highway in Indiana commits a ~~Class A infraction~~ **Class C misdemeanor** unless financial responsibility is in effect with respect to the motor vehicle under IC 9-25-4-4. However, the offense is a ~~Class C misdemeanor~~ **Class D felony** if the person knowingly or intentionally violates this section and has a prior unrelated conviction or judgment under this section.

(b) Subsection (a)(2) applies to:

(1) the owner of a rental company that is referred to in ~~IC 9-25-6-3(c)(1);~~ **IC 9-25-6-3(f)(1);** and

(2) an employer that is referred to in ~~IC 9-25-6-3(c)(2);~~ **IC 9-25-6-3-(f)(2).**

(c) In addition to any other penalty imposed on a person for violating this section, the court may recommend the suspension of the person's driving privileges for one (1) year. However, if, within the five (5) years preceding the conviction under this section, the person had a prior unrelated conviction under this section, the court shall recommend the suspension of the person's driving privileges for one (1) year.

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(d) Upon receiving the recommendation of the court under subsection (c), the bureau shall suspend the person's driving privileges for the period recommended by the court.

SECTION 11. IC 27-2-22 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 22. Motor Vehicle Insurance

Sec. 1. This chapter applies to cancellations of motor vehicle liability policies after December 31, 2006.

Sec. 2. As used in this chapter, "motor vehicle liability policy" means an insurance policy that provides any of the kinds of insurance described in Class 2(f) of IC 27-1-5-1.

Sec. 3. (a) An insurer that issues a motor vehicle liability policy shall notify the bureau of motor vehicles of the cancellation by the policyholder of the motor vehicle liability policy if the motor vehicle liability policy is canceled before the expiration date of the motor vehicle liability policy.

(b) An insurer shall provide the notice required under subsection (a):

(1) not more than ten (10) days after the insurer receives notice of cancellation by the policyholder of the motor vehicle liability policy; or

(2) not less than ten (10) days before the insurer cancels the motor vehicle liability policy.

(c) The notice required under subsection (a) must be sent by the insurer to the bureau of motor vehicles by:

(1) first class mail; or

(2) a means that transmits the notice to the bureau of motor vehicles at least as quickly as first class mail.

Sec. 4. The notice required by section 3 of this chapter must include the following:

(1) The name and mailing address of the insurer that issued the canceled motor vehicle liability policy.

(2) The effective date of the cancellation.

(3) The name and mailing address of each person who was a policyholder under the canceled motor vehicle liability policy when the policy was canceled.

(4) The following information concerning each motor vehicle covered under the motor vehicle liability policy:

(A) The name of the manufacturer.

(B) The model name and model year.

(C) The identification number (as defined in

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